

**Senate File 564 - Introduced**

SENATE FILE 564

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 224)

(SUCCESSOR TO SF 90)

**A BILL FOR**

1 An Act relating to motor vehicle special registration plate  
2 decals created by a nonprofit veterans' organization or  
3 associated with military service.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 321.34, subsection 13, paragraph b,  
2 subparagraph (1), subparagraph division (c), Code 2023, is  
3 amended to read as follows:

4 (c) The organization is a nonprofit corporation which is  
5 exempt from federal income taxation under section 501(c)(3) or  
6 501(c)(19) of the Internal Revenue Code and is organized under  
7 the laws of this state or authorized to do business within this  
8 state.

9 Sec. 2. Section 321.34, subsection 13, paragraph f, Code  
10 2023, is amended to read as follows:

11 f. A person shall not display a decal on a vehicle  
12 registration plate other than a decal approved or issued by the  
13 department.

14 Sec. 3. Section 321.34, subsection 20C, Code 2023, is  
15 amended to read as follows:

16 20C. *Combat infantryman badge, combat action badge, combat*  
17 *action ribbon, air force combat action medal, and combat medical*  
18 *badge ~~plates~~ decals.*

19 a. The department, in consultation with the adjutant  
20 general, shall design separate and distinct decals representing  
21 a combat infantryman badge, combat action badge, combat action  
22 ribbon, air force combat action medal, and combat medical badge  
23 distinguishing processed emblems. Upon receipt of two hundred  
24 fifty orders for combat infantryman badge, combat action badge,  
25 combat action ribbon, air force combat action medal, or combat  
26 medical badge special registration plates, accompanied by a  
27 start-up fee of twenty dollars per order, the department shall  
28 begin issuing special registration plates with the applicable  
29 distinguishing processed emblem as provided in paragraphs  
30 "b", "c", and "d". The minimum order requirement shall apply  
31 separately to each of the special registration plates created  
32 under [this subsection](#). The decals shall be designed to be  
33 displayed on special plates issued under subsection 13.

34 b. An owner referred to in [subsection 12](#) who was awarded a  
35 combat infantryman badge, combat action badge, combat action

1 ribbon, air force combat action medal, or combat medical badge  
 2 by the United States government may, upon written application  
 3 to the department and presentation of satisfactory proof of  
 4 the award, order ~~special registration plates with~~ two decals  
 5 representing a combat infantryman badge, combat action badge,  
 6 combat action ribbon, air force combat action medal, or  
 7 combat medical badge processed emblem. The special plate fees  
 8 collected by the director under ~~subsection 12,~~ paragraph "a",  
 9 from the annual validation of letter-number designated combat  
 10 infantryman badge, combat action badge, combat action ribbon,  
 11 air force combat action medal, and combat medical badge plates,  
 12 and ~~subsection 12,~~ paragraph "c", from the issuance and annual  
 13 validation of personalized combat infantryman badge, combat  
 14 action badge, combat action ribbon, air force combat action  
 15 medal, and combat medical badge plates fee for each pair of  
 16 decals is ten dollars, and all such fees collected under this  
 17 subsection shall be paid monthly to the treasurer of state and  
 18 deposited in the road use tax fund. The treasurer of state  
 19 shall transfer monthly from the statutory allocations fund  
 20 created under ~~section 321.145, subsection 2,~~ to the veterans  
 21 license fee fund created in ~~section 35A.11~~ the amount of the  
 22 special fees collected under ~~this subsection 12,~~ paragraph "a",  
 23 in the previous month for combat infantryman badge, combat  
 24 action badge, combat action ribbon, air force combat action  
 25 medal, and combat medical badge plates decals.

26 *c.* ~~Notwithstanding ~~subsection 12,~~ paragraph "a", an owner~~  
 27 ~~who is approved for special registration plates under this~~  
 28 ~~subsection shall be issued one set of special registration~~  
 29 ~~plates with a combat infantryman badge, combat action badge,~~  
 30 ~~combat action ribbon, air force combat action medal, or combat~~  
 31 ~~medical badge distinguishing processed emblem at no charge.~~

32 *d.* The surviving spouse of a person who was issued special  
 33 plates decals under this subsection may continue to use or  
 34 apply for and use the special plates decals affixed to the  
 35 plates issued under subsection 13 subject to registration of



1 the purpose of the decal, all eligibility requirements for  
2 purchasing the decal, and the fees to be charged for the decal.  
3 To qualify for approval, the primary activity or interest  
4 of the organization must serve the community, contribute to  
5 the welfare of others, and cannot be discriminatory in its  
6 purpose, nature, activity, or name; the name and purpose of the  
7 organization cannot promote any specific product or brand name  
8 that is provided for sale; and the organization is required to  
9 be a nonprofit corporation which is exempt from taxation under  
10 section 501(c)(3) of the Internal Revenue Code and organized  
11 under Iowa's laws or authorized to do business within Iowa.

12 This bill also authorizes an organization which is exempt  
13 under section 501(c)(19) of the Internal Revenue Code to  
14 apply for approval to issue an organization decal. To be  
15 exempt under section 501(c)(19), an organization must be a  
16 post or organization of past or present members of the United  
17 States armed forces, an auxiliary unit or society of such post  
18 or organization, or a trust or foundation for such post or  
19 organization.

20 In 2011, the general assembly authorized the DOT, in  
21 consultation with the adjutant general, to design combat  
22 infantryman badge, combat action badge, combat action ribbon,  
23 air force combat action medal, and combat medical badge  
24 distinguishing processed emblem special registration plates.  
25 However, the DOT is required to receive 250 orders, including  
26 a start-up fee, for each plate before the DOT can produce or  
27 issue any of the registration plates. The bill strikes the  
28 provisions relating to the special registration plates and  
29 minimum order requirements and instead requires the DOT to  
30 design and issue separate and distinct decals representing the  
31 applicable badges, ribbons, and medals. The decals must be  
32 designed to be displayed on registration plates issued under  
33 Code section 321.34(13) (plates with space reserved for a  
34 decal).

35 The DOT must issue two decals to an approved applicant and

1 the fee for a pair of decals is \$10. The fee is deposited into  
2 the road use tax fund and, each month, the treasurer of state  
3 must transfer from the statutory allocations fund the amount  
4 of fees received under the bill to the veterans license fee  
5 fund. The bill makes corresponding changes to Code section  
6 321.34(20C).

7 The DOT is required to make reasonable efforts to contact  
8 applicants who previously applied for and paid the required  
9 start-up fee. An applicant is eligible to receive a refund of  
10 the \$20 fee, or receive a refund of \$10 plus the applicable  
11 decals and plates as provided in the bill.